Blumberg No. 5119
EXHIBIT
3D

Transcript of the Deposition of:

Frank Thomas, III

Date: August 18, 2006

MACON COUNTY INVESTMENTS, INC, et al

Vs

SHERIFF DAVID WARREN

Case No. 3:06-CV-224-WKW

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($45,000) dollars. You paid -- And you paid him that to speak to your friend who you visited him in his house and you-all hugged each other. And you paid Donald Watkins a million dollars to serve as a consultant. Who else have you paid something in connection with this project?
A Accounting to Jackson Thornton.
Q How much is that?
A Around ten thousand ($10,000).
Q And who else have you paid anything in connection with this project?
A For the clearing.
Q How much?
A Probably forty thousand ($40,000) dollars.
Q Forty thousand ($40,000) dollars to clear it. Who else?
A Attorneys.
Q How much?
MR. THOMAS: On attorneys, we're going to object.
MR. GRAY: I'm not asking details. I'm just asking, and he's claiming

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that he's suffered damages. I'm just asking amounts.
Q And I'm not asking you which attorneys got what. Just for an amount. Total amount for attorneys fees that's been paid so far.
A Fifty thousand ($50,000).
Q Fifty thousand ($50,000). Total amount that's obligated to be paid?
A None, as of now.
MR. THOMAS: To what now?
A I don't know.
MR. THOMAS: Answer the next question
MR. GRAY: Okay. My question is what you said. I'm not talking about -- I'm serious.
MR. THOMAS: We just want the record clear.
MR. GRAY: You want the record clear.
A I do not know.
Q You have indicated that you have paid fifty thousand ($50,000) to attorneys fees, and I don't want to know who those lawyers were.
A Yes, sir.

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Q And you talked about a slew of them. What is the estimated cost for future attorneys fees in connection with this?
A I have no idea.
Q In your best judgment.
A I would love to estimate low. I have no idea. I have no idea.
MR. THOMAS: I know he ain't got no idea.
A Let's don't run my attorney off here, now. I do not know.
Q Let me just ask you: Do you think it will exceed the amount that you paid your consultant? If you paid the consultant a million dollars, wouldn't you think that the lawyers fee would probably be in excess of that?
A I have no basis by which to make that decision, Mr. Gray.
Q Okay. All right.
A I certainly hope not.
Q All right. Thank you very much. I appreciate you answering my questions.

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A Thank you.

CROSS-EXAMINATION

BY MR. THOMAS:
Q I've got a few for you. As you have stated in your complaint and application for injunctive relief, you will be seeking from the Court if you prevail on this lawsuit an award of a reasonable attorneys fees on your behalf; is that correct?
A Yes, sir.
Q Okay. And nothing you told Mr. Gray precludes that; is that correct?
A No, sir.
Q Right. Now, if I could, let me ask you this: On any occasion, Mr. Thomas, has Sheriff Warren ever advised you that the application that he received on behalf of Reach One Teach One and MCII has been denied?
A No, sir.
Q Did you understand my question?
A Yes, sir.
Q Okay. Have you ever received anything in

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County, to help me establish a charitable bingo facility, possibility finance it and possibility build a hotel.
Q And what did he say?
A Okay.
Q And then what did you do?
A We had several meetings with him.
Q What "we"?
A Greg Carr, myself, Tom DeBray and Johnny Ford on one meeting.
Q Tom DeBray?
A DeBray.
Q DeBray. And Johnny Ford?
A Yes, sir.
Q Now, where was that meeting?
A Mr. Lane's office.
Q Where is Mr. Lane's office?
A I think it's Gunn Road, I believe, close to Eastdale Mall, Montgomery.
Q Gunn Road?
A Yes, sir.
Q How did Mr. Ford get there, get to the meeting?

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A You'd have to ask Mr. Ford.
Q I mean, did you ask him to attend the meeting?
A No, sir.
Q Did Mr. Greg -- is that his name?
MR. THOMAS: Mr. Carr.
Q Mr. Carr ask him to attend?
A I don't think that he did, no, sir.
Q Do you think Mr. Lane asked him? That was the finances; is that right, Mr. Lane?
A I would say that either Mr. Lane or Mr. Tom DeBray asked Mayor Ford to attend the meeting.
Q Now, who is Tom DeBray?
A An attorney in Montgomery.
Q Is he or one of those persons connected with him MCII?
A At this time, no, sir.
Q Was he at that time?
A I hired Mr. DeBray to help me find a charity. So, he was connected at that time, yes, sir.
Q You hired him to help you find a charity.

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A Uh-huh (positive response).
Q Okay. Now, Mr. DeBray lives where in Montgomery?
A I don't know.
Q Is his office in Montgomery?
A I don't know.
Q Where did you hire him?
A At Mr. Lane's office on Gunn Road in Montgomery.
Q So, you didn't go to -- He's an attorney?
A Yes, sir.
Q But you didn't go to his office?
A No, sir.
Q You went to Mr. Lane's office?
A Correct.
Q And it was in his office that you hired Mr. DeBray for the purpose of getting him to obtain some charities in Macon County -- or a charity in Macon County. Were you looking for one charity or more than one?
A I wouldn't say I was solely looking for one charity. So, more than one possibly.
Q Possibly.

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A Yes, sir.
Q You told who that you were looking for charities in Macon County?
A At which point?
Q At this meeting. I thought you were telling me about -- You were telling me about a meeting in Mr. Lane's office with Mr. DeBray, Johnny Ford, Mr. Carr, and you; is that right?
A That's correct.
Q Who else was there?
A That's it, best I can recall.
Q And when was that meeting?
A I don't recall. I would have to look back at my checks.
Q In your best judgment.
A Late 2004.
Q Late 2004. Now, who called that meeting?
A Mr. Jim Lane, James Lane.
Q And you say you retained Mr. DeBray at that time.
A I don't think I actually retained him in that meeting, no, sir.

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with you?
A The Sheriff by no means threatened at all. The Sheriff and I had some really good personal conversations.
Q My conversation was -- Did you interpret from something the Sheriff said that the Sheriff was implying that Milton McGregor was having people killed?
A Was having people killed? No, sir.
Q All right. But he did -- You say the Sheriff said to you to be aware of Milton McGregor.
A Not to be aware, to beware.
Q To beware of Milton McGregor.
A Yes, sir.
Q What did you understand the Sheriff to say? What did you understand him to mean? What did you understand him to mean?
MR. THOMAS: Answer his question.
A May I curse?
MR. THOMAS: Answer his question as truthfully as you can.
Q I just want to know --

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A He said, "I hate that mother fucker, Milton McGregor."
Q Who said that?
A Sheriff David Warren.
Q Sheriff David Warren --
A Yes, sir.
Q -- told you he hated that what you said.
A Yes, sir.
Q And what I will not say.
A Excuse me, Reverend and Ma'am.
Q And when did David Warren tell you that?
A It would have been in the spring on one of two meetings at his personal residence of 2005. He told me he was being -- The Sheriff told me he was being followed, that every time he spoke with me, Bobby Segall, or Joe Turnham, that Milton McGregor called him, that Milton put him here, that he did not want to be here.
Q He said Milton put him where?
A Well, he said here referring to -- I would assume he would say in the position of the sole propagator and regulator of the rules

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in Macon County, and hugged me both times when I left his house.
Q The Sheriff did?
A Yes, sir.
Q And when was that?
A There were two meetings at his house. I can't remember the specific dates. I have a record of dates because I spoke with Bobby Segall, my attorney, who actually has a record of the dates. But in my head, I can't tell you specifically.
Q Do you have a calendar?
A With me?
Q No. A calendar that would indicate the dates.
A I have the bills from Bobby Segall, correct.
Q You have the bills.
A Yes, sir.
Q For services that he rendered?
A Yes, sir.
Q What services did he render?
A He was hired in either January or February as an attorney.

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Q To do what?
A To help me get my facility built, bingo in Macon County.
Q And you already had hired Mr. Gregory -- Mr. Carr.
A Greg Carr never got paid, but, yes, sir.
Q And you hired Mr. DeBray.
A Yes, sir.
Q And you're saying that the Sheriff hugged you in his house?
A No, sir, outside of his house.
Q Outside -- at his house.
A Yes, sir.
Q I'm not trying to -- I'm just trying to be sure I understand.
A Well, I know how attorneys are, and I'm trying to keep my answers straight.
Q All right. He hugged you, embraced you, told you to beware of McGregor because he put him in that position. And he wouldn't give you an application to make a license.
A No, sir.
Q That's highly inconsistent, isn't it?

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laughed at the end on the telephone that he may even deputize me. But it certainly had nothing to do with bingo.
Q **So, at this point, you hadn't even talked about bingo.**
A I don't know when that Fannin grocery conversation was. My goal with the whole deal was I didn't want to pull strings. I didn't want to pull favors. I didn't want to play friend. I wanted to get open fair and square. And I didn't want to look David Warren in the eye and use the leverage of friendship. So, I hired Bobby Segall and Stan Gregory to do all talking to David Warren, and they did. Who were also friends and --
Q **Bobby Segall and who?**
A Joe Turnham.
Q **And Joe Turnham?**
A Yes, sir.
Q **Did you say Stan Gregory?**
A I did. Stan Gregory is another attorney I hired if I said it. I didn't hire Stan

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Gregory to speak with David Warren. I hired Bobby and Joe to speak, and Stan was a constitutional lawyer at Bradley-Arant who was hired to look over rules and regulations and even propose, possibly, new rules and regulations.
Q **Is he the one who prepared the suggested rules and regulations that you later gave to the Sheriff and suggested that he might want to use those?**
A Well, I never gave the rules to the Sheriff.
Q **Well, who gave them to him?**
A It would be Bobby Segall or Joe Turnham.
Q **You knew that there were some rules and regulations that you had caused to be made concerning -- that you were interested in his adopting.**
A Correct.
Q **Okay. And who prepared those rules and regulations?**
A It would have been Joe Turnham, Bobby Segall and Stan Gregory.
Q **Is Joe Turnham a lawyer?**

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A No, sir, not to my knowledge.
Q **Approximately how many conversations did you have with the Sheriff with reference to getting a license for bingo?**
A In what time period?
Q **At any time period. I think you told us the first time you talked was mid spring of '05. I believe that's your testimony.**
A We probably spoke -- We met two times at his house and one time at the Sheriff's Office on December 28th, 2005. And I would imagine that we had probably between four and ten telephone conversations over the course.
Q **Now, you met only twice at his house.**
A Correct.
Q **Have you told us already everything that took place in those conversations at his house?**
A No, sir.
Q **Well, tell us what took place in those conversations.**
A The first time it was regarding the property that joined his house.

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Q **I'm talking about bingo.**
A Well, you said tell you everything.
Q **I want the conversations concerning bingo that occurred at his house.**
A I took a rendering of my facility to be built to his house, and the conversation started about the property adjacent to his house. But at the Sheriff's election, he asked me how my project was going. What's going on, very friendly conversation. And I showed him the rendering, and they liked it. He and Pebblin were both sitting there. I told him what was in my heart, what I wanted to do with this project; and not only with that project, but specifically for the County. The Sheriff told me that he wanted a police substation somewhere near Hardaway because he knew I had some land in the area. I told him that I'd try to help him.
Q **If you would, just tell me what you said about bingo. I'm not interested in the personal things that you-all said.**
A Well, I have -- To relive the conversation,

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take-out letter or like a CON for the hospital industry, that you would get your license if you comply with what you tell him you are going to do.
Q Now, you wanted him to sign this statement, right?
A Yes, sir.
Q And you knew if he signed this statement he would not be abiding by the rules and regulations, those that he had already adopted.
A Well, it was totally his --
Q No. I'm asking you. This does not comply with the rules and regulations, does it?
A Well, the Sheriff has the right to change the rules and regulations.
Q Well, I understand that. But I'm saying the way it is now, if he had signed this, it would have violated his existing rules and regulations; isn't that correct?
MR. THOMAS: It calls for a legal conclusion. You can answer.
A I would say, yes, but he had already

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violated those rules when he changed them.
Q Okay. All right. I'm not asking you -- Okay.
A He had violated his own rules when he changed them.
Q All right. Okay. All right. Now, so to keep him from violating his rules and regulations, you wanted him to change the regulations for you, didn't you? And isn't that what --
MR. GRAY, JR: He didn't answer that question. He didn't say yes.
Q Didn't you suggest to the Sheriff so that he could legally sign Exhibit Two that he change his rules and regulations; isn't that correct?
A Did I suggest that?
Q Isn't that what -- You said that you had given him these suggested changes.
A I never gave him those suggested changes.
Q Well, you or someone on your behalf gave it to him.
A Correct. Yes, sir.

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Q Isn't that correct? You said that.
A Yes, sir.
Q And wasn't the purpose of these changes was so that he could under -- if he had adopted your changes, then he could sign your certification and you would be able to proceed; isn't that correct?
A Correct. Yes, sir.
Q All right. So, there's no question but you wanted him to change his rules by making the amendment that's set forth in Defendant's Exhibit Four and change in his rules to adopt your Defendant's Exhibit Three.
A It was a suggestion, yes, sir.
Q It was a suggestion. Okay. And you wanted him to do that so that you would be able to qualify under your proposed changes if he had adopt them then you could have qualified; isn't that correct?
A If he had -- Correct. If he had changed those rules, then myself and the Lucky Palace could have both qualified to get a license.

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Q All right.
A Those rules were drafted --
Q I'm not asking then about how it was drafted. I might ask you that later, but I just want to get that in.
Okay. Who drafted them?
A Stan Gregory.
Q And Stan Gregory is from what law firm?
A Bradley-Arant.
Q Okay. And you paid him, of course, for it.
A Yes, sir.
Q And you knew that your application as submitted did not comply with the then existing rules and regulations as promulgated by the Sheriff, didn't you?
A Ask that question again.
MR. GRAY: Read it back for me.
(At which time, the Reporter read the requested portion.)
A My application was not submitted.
Q Well, I mean, the application that you left at the Sheriff's -- You left this application that's attached as P-9 to the

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would agree with what you're saying?
A I think he would.
Q You think he would?
A Yes, sir.
Q All right. When did -- when were these -- Exhibits Two, Three and Four, when were they submitted to the Sheriff for his adoption, because that's what you-all wanted him to do was to adopt them. When were they submitted?
A I can't give an exact date. But, again, I'm going to set the time line. Joe Turnham and Bobby Segall and Stan Gregory began in January or February of 2005 to work on that document. That document got changed significantly throughout that time. They began meeting with the Sheriff, I would say, in February of 2005. I don't know when they actually submitted that document to the Sheriff because that document changed considerably over the progression of the Sheriff and Pebblin Warren's input into that document.

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Q Do you know who gave the Sheriff these three documents?
A It would either be --
Q Do you know of your own knowledge?
A It would be Joe Turnham or Bobby Segall.
Q Are you sure you didn't give them to him?
A I may have also given those documents to the Sheriff, but I know they were introduced initially by Joe and Bobby.
Q Isn't it a fact you did, in fact, give him all these documents and wanted him to sign them?
A Yes, sir.
Q And wanted him to change the rules and regulations solely so you and your charity -- I mean, Reach One Teach One could get a license; isn't that correct?
A The documents would have already been furnished to the Sheriff by Joe and Bobby. I did not see the Sheriff face to face until the first meeting at his house, which would have been late spring.
Q All of these persons were your agents, were

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they not? They were working for you. Bobby Segall was working for you?
A Correct. He was a hired attorney.
Q Mr. Turnham was working for you?
A Correct.
Q Mr. Carr was your lawyer?
A Correct.
Q Mr. DeBray was your lawyer?
A Correct.
Q The lawyer up in Birmingham who drafted these were your lawyers?
A I don't know a lawyer in Birmingham.
Q Well, who was --
A He's in Montgomery.
Q Gregory is in Montgomery, but he's with the firm that's -- I guess the main office is in Birmingham.
Okay. If those rules and regulations had been adopted, how did they change the rules and regulations as promulgated by the Sheriff?
A Can you furnish me back those rules and regulations?

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Q Yes.
A Well, the first amendment --
Q And refer to it by the exhibit number.
A Well, it's Exhibit Three. Without having the rules and regulations as promulgated by the Sheriff at the time, I can't tell you exactly what the changes are because I need to reference those. But I can tell you that --
Q Which set of rules do you want?
A The rules that you cited that would be compared to these at this time.
Q We can give you copies of all the rules if you need to see it. But can you generally tell us what changes, if any, were made?
A I think that the -- Again, I have not read through, and I'm sure that the Court or the Judge will. The build-out letter that you saw earlier would allow --
MR. THOMAS: Don't call it build-out. Call it what it is.
A This "Certificate of Preliminary Designation of Macon County Investments, Inc. Location

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what?
A For Macon County Investments.
Q What was he supposed to do for Macon County Investments?
A Help me form a team, a legal team, to move Macon County Investments forward.
Q Now, he was not to be the team, and this was not for attorneys fees, but all he was going to do was get together a legal team.
A Correct.
Q Did you have a contract in writing with him?
A Yes.
Q All right. And what's the approximate date of that contract?
A Again, I'm saying February of '06.
Q And what does the contract in effect provide?
A If provides that Donald will coordinate the legal battle for Macon County Investments to move forward in Macon County.
Q And has that consultation fee been fully earned already?
A No, sir.

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Q How much of it has been fully earned?
A I would say none of it.
Q None of it? Now, that's separate and distinct from the payment of your lawyer fees. And tell the Court, if you will, who all are your lawyers in this case.
A On the pleadings, the lawyers are the lawyers as you see: Kenneth Thomas, Ramadanah Salaam-Jones, and Gary Grasso.
Q Off of the attorneys -- Off of the pleadings, who else are your lawyers?
A Well --
Q -- in this matter advising you on this?
A Greg Carr is a good friend, my personal attorney and lawyer. And Bobby Segall has been contacted recently regarding the case.
Q He is now representing you as plaintiff in this lawsuit?
A No, sir.
Q He has been contacted by you for that purpose?
A No, sir.
Q But tell us what you mean about Bobby Segall

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is in it.
A He has simply been contacted about this case. He is not actively, I guess, on retainer for Frank Thomas or MCI.
Q Is he a part of the legal team?
A No, sir.
Q Do you know whether or not he has conferred with the legal team?
A No, sir, I do not know.
Q Who else is on the legal team?
A That's it.
MR. GRAY: Counselor, I humbly apologize for having underestimated the million dollar fee. I should have said multi-million dollars. Who told me that at first? You did, and I'm sorry.
MR. THOMAS: Thank you.
MR. GRAY: It's only because in my old age when I was coming along to talk about a million dollars is something almost unheard of. Now,

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people talk about it like it's nothing. But I'm happy to see it.
BY MR. GRAY:
Q Have you made any contributions at all to Reach One Teach One?
A Yes, sir.
Q How much contribution have you made?
A Ten thousand, five hundred ($10,500) dollars.
Q When did you do that?
A I would have to look at the check. It would have been in -- I would say July.
Q July of what?
A '06.
Q July '06?
A Yes, sir.
Q Since this lawsuit has been pending.
A Correct.
Q Had you made any contribution before then?
A No, sir.
Q Had you made any contributions at all to Mr. Walker --
A No, sir.

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A Yes.
Q And is that also true today? Let me change that first and ask you: Are these same persons that you've listed at that time, are they still all on board as far as expressing an interest now in making a financial investment?
A Yes, sir.
Q Have they signed anything in writing?
A No, sir.
Q Is there anything different today in terms of the kind of commitment they made different from the time they applied and now?
A No, sir.
Q So, there is nothing to compel either one of those if they elected not to, even if you got the license. There was nothing that would compel them to make an investment if they didn't want to.
A There were --
Q I mean, nothing legal --
A No, sir.

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Q -- that you could enforce.
A No, sir.
Q And on the other hand, if you got the license and you didn't want them to invest, there is nothing they could do to make you let them invest, is there?
A My word.
Q I mean, other than your word.
A No, sir.
Q No legal documents.
A No, sir.
Q All right. What funds are there available to finance this project other than the $10 million you hope to personally receive as Frank Thomas when you sell it to MCII?
A Several entities have expressed an interest, several individuals as well.
Q Do you have any commitment from any corporation to finance it?
A I did not want to rope myself to any corporation. No, sir.
Q The answer is no?
A No.

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Q Do you have any firm commitment from any individual?
A To?
Q To finance it.
A No, sir.
Q Do you have any firm commitment from any person, firm, corporation, or legal entity to finance this project, anything firm?
A Yes, sir.
Q What?
A The agreement with Gaming Capital.
Q Now, the Gaming Capital, I thought that was just an agreement to buy some equipment --
A It is.
Q -- and that's all.
A Yes, sir.
Q Other than that, is there anything else?
A No, sir.
Q Okay. What -- If your proposed plan is built according to the plans and specifications set out therein, what is the estimated total cost?
A Today?

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Q Yes, because you would have to build it today, wouldn't you?
A Right. Well, it's -- naturally construction cost has significantly increased with Katrina and prime --
Q Just tell me the figure.
A North of sixty, south $70 million all inclusive.
Q Between sixty and $70 million dollars?
A Yes, sir.
Q And you don't have a firm commitment from anybody to finance that sixty to $70 million dollars?
A No, sir.
Q How much did you pay Joe Turner?
A Forty-five thousand ($45,000) dollars.
Q Forty-five thousand ($45,000) dollars to do what?
A To act as a lobbyist to keep me posted with what was going on at the State level --
Q State level?
A -- and help speak with David Warren.
Q You paid that lobbyist forty-five thousand

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Q As a matter of fact, there would be any number of folks who would like to have operator's license; isn't that correct? Wouldn't you think so?
A I would think so.
Q Because they would have the same interest you have, and that is, to make money.
A I would think so.
Q Okay. Now, let's go back to various and sundry things you've done to try to get a license. Can you tell us anything else you have done that you have not testified to in order to obtain an operator's license for MCII and a bingo license for Reach One Teach One?
A I'd have to look and see what I've actually testified to to see if that's everything. I know I've worked awful hard. If I can be furnished a list of what I have said, I could rule out what I have not said. We've been here for four hours.
Q Have you talked to any other persons that we have not -- you haven't testified to about

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trying to get a license?
A I've talked to a slew of people about trying to get a license.
Q Did you ever make a contribution to Sheriff Warren's campaign --
A No, sir.
Q -- during either one of his races?
A No, sir.
Q Did you make a contribution towards Mr. Maloy's campaign?
A No, sir.
Q Did you make a contributions to any PAC during the last primary elections, any PAC for any reason?
A Yes.
Q Which PAC did you make a contribution to?
A There were two PACs with three-letter names.
Q With what?
A Three-letter names.
Q Three letter --
A I mean, synonyms. A, B, C or B, A, D or something along -- whatever. I don't recall the exact names.

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Q And that was -- How many of those was it?
A Sir?
Q How many?
A Two.
Q Two? And how much did you contribute?
A A thousand dollars apiece.
Q Was one of those STA?
A I'm not certain of the names, but I'm certain they were three-letter names.
Q And one was PAC?
A Yes, sir, they both were three-letter-name PACs. I don't recall the names.
Q Who did you give the money to to go to that PAC?
A I gave the checks to Greg Carr.
Q Checks to Greg Carr.
A Yes, sir.
Q All right. And he was supposed to give them to whom?
A I would assume to a representative of those PACs. I believe they were in Birmingham.
Q Do you have your canceled checks?
A Yes, sir.

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Q Approximately what was the date of those checks?
A I don't know the date.
Q In your best judgment.
A I believe it would have been in May.
Q In May? Had you made any contributions to those PACs before?
A No, sir.
Q Who solicited these contributions?
A From the PACs?
Q From you.
A Jim Goodrow (phonetic).
Q Jim who?
A Goodrow.
Q Who is Jim Goodrow?
A A friend of mine.
Q What does he do?
A He's a pilot. I'm not sure what his everyday job is.
Q He's a pilot where?
A I'm not certain who he flies for.
Q Do you know who he has flown for?
A I think at one point he flew for Richard

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at some point, but it's yet to be determined. So, as for now, no, sir.
Q Did he write you a check for the million dollars?
A No, sir.
Q How did you receive the million dollars?
A I believe it was two hundred thousand initially and then eight hundred thousand dollars.
Q When did you receive the two hundred thousand?
A February of '06.
Q February of '06?
A Yes, sir.
Q And the eight hundred thousand?
A February of '06.
Q Now, is there one note or two notes that's signed?
A One note.
Q And that note is dated approximately when?
A February '06.
Q February --
A Of '06.

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Q -- of '06. And you have a copy of that note?
A Greg Carr would have a copy of that note.
Q And you have actually received in cash the million dollars?
A No, sir.
Q How much have you received in cash, Mr. Thomas?
A The money went to Donald Watkins.
Q The money went to Donald Watkins?
A Yes, sir.
Q The million dollars went to Donald Watkins?
A Yes, sir.
Q Now, who is Donald Watkins?
A A friend.
Q A friend to whom?
A A friend of mine.
Q Friend of yours?
A Yes, sir.
Q And how do you know Donald Watkins, your friend?
A I met him through Jim Goodrow, a friend.
Q When was the first time you met Donald

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Watkins?
A January of '06.
Q Now, you had your friend Al Gibbs to contribute directly to Donald Watkins a million dollars?
A Yes, sir.
Q Now, where does Al Gibbs live?
A Birmingham.
Q What does he do?
A He's in the hand core pipe business.
Q In the what?
A Corrugated pipe.
Q Corrugated pipe. What was Donald Watkins supposed to do with the million dollars?
A I initially felt that I was hiring him as an attorney, and that was a retainer to come and help me get my facility in Macon County. He then elected not to be an attorney and to be a consultant.
Q So, that million dollars was paid initially for attorneys fees; is that right?
A No, sir.
Q Well, tell the Court what it was paid for.

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A It was paid as a retainer for consulting fees.
Q For consultant? Now, Donald Watkins is the -- Tell me who the Donald Watkins is you're referring to. There may be two or three of them.
A A friend of mine, Donald Watkins.
Q And that's all you know?
A What would -- a friend of mine, Donald Watkins.
Q Is he the attorney?
A He is an attorney.
Q Is he the former City attorney for the City of Birmingham?
A Yes, sir.
Q Is he the former attorney who used to be in my law firm in Montgomery?
A Yes, sir.
Q Is that the same Donald Watkins?
A Yes, sir.
Q I just wanted to be sure it's the same person. And you paid Donald Watkins a million dollars to serve as a consultant for

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Q And who did you buy that from?
A A.S. Coleman, Junior, Sid Coleman.
Q How much did you pay for that?
A It was bought incrementally, and I really can't give you a definite answer.
Q When did you buy it? In 200 --
A It was bought incrementally from 2002 to 2005.
Q And you still own it.
A Yes, sir.
Q Is there a mortgage on that one?
A Yes, sir.
Q Who do you --
A Federal Land Bank of Alabama.
Q Federal Land Bank of Alabama?
A Uh-huh (positive response).
Q How much is that mortgage?
A Five hundred thousand ($500,000) dollars, I believe.
Q Five hundred thousand ($500,000) dollars. Do you have a financial statement?
A Yes, sir.
Q Can you make that available to us?

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MR. THOMAS: We are going to object to that on the basis of relevancy.
Q Does MCII have a financial statement?
A No, sir.
Q Does it have a bank account?
A No, sir.
Q Does it own any assets?
A No, sir.
Q So, MCII has no assets at all?
A At this time, no, sir.
Q Does it have any liabilities?
A I guess it has liabilities in the amount of the money that I have invested yet have not asked for in return.
Q How much have you invested and not asked for in return?
A I haven't stopped to add it up, so I have a hard time.
Q Best judgment.
A Probably a million and a half.
Q A million and a half dollars that you have spent?
A Yes, sir, if not more.

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Q And you spent that for what purpose?
A To get to this table.
Q You spent that for MCII?
A Yes, sir.
Q But you didn't put the money in MCII --
A No, sir.
Q -- and MCII put it out. You have put the money out yourself?
A I started spending money probably in 2004 for the purpose of forming a bingo facility in Macon County, and MCI didn't form.
MR. THOMAS: You're not listening to the question.
THE WITNESS: Sorry.
MR. THOMAS: You have to answer his question.
Q So, MCII has never had a bank account, has it?
A No, sir.
Q It has never owned any real estate, has it?
A No, sir.
Q It has never owned any personal property, has it?

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A No, sir.
Q It has never owned any assets at all, has it?
A No, sir.
Q Now, who are the shareholders in MCII other than you?
A Greg Carr.
Q Is that the lawyer who prepared your papers?
A Correct.
Q Did he put any money in the corporation?
A No, sir.
Q What was the consideration for you taking back the shares of stock?
A Explain that question.
Q Well, you filed articles of incorporation for MCII, didn't you?
A (Nodding in the affirmative.)
Q And you took back stock.
A Yes, sir.
Q How much money did you pay the corporation for that stock? Isn't it a fact, Mr. Thomas, you didn't pay them anything?
A I've paid no cash to Macon County

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Q -- or anyone else connected with Reach One Teach One?
A I have paid Mr. Walker travel expenses in the amount of five hundred ($500) dollars on three occasions through Reach One Teach One of America.
Q Travel expenses from where to where?
A I understood that at the time that he came to meet me he was in Florida.
Q Don't you understand that his principal residence is in Florida, or do you know?
A No, sir. I understand his principal residence is in Tuskegee.
Q Okay. And he's temporarily living in Florida?
A Yes, sir.
Q Do you know how long has he temporarily lived in Florida?
A No, sir.
Q In your best judgment?
A I do not know.
Q Okay. What are the dates of these travels?
A I would have to refer to my checkbook.

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Q You do have a checkbook?
A Yes, sir.
Q And those are dates of his travel here in connection with the license process?
A One of the trips was Reverend Walker distributed some checks to some local charity organizations in Macon County.
Q Okay. Now, you gave checks to -- Now, was this Frank Thomas giving checks -- Now, these checks you talked about so far, all these checks were really checks off your personal account because you told us that MCI didn't have any.
A Correct.
Q Okay. So, from your personal account, you contributed -- are the checks you're talking about to Mr. Walker.
A Yes, sir.
Q The check you talked about, to Reach One Teach One. And then you gave checks to Mr. Walker to other charities in Tuskegee or in Macon County.
A I never wrote any checks to Walter Walker.

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I've only written checks to Reach One Teach One of America.
Q Okay. The transportation checks went to Teach One?
A Yes, sir.
Q Okay. And the travel checks went the same way.
A Yes, sir.
Q What about the checks to the charities? Which charities?
A I wrote a check to Reach One Teach One in the amount of ten thousand, five hundred ($10,500) dollars. Reverend Walker then had the discretion to distribute that money to Macon County charities as he seen fit.
Q So, you're saying that the ten thousand ($10,000) dollar -- ten thousand, five ($10,500) that you gave on July 6th was not just for Reach One Teach One, but that was so Mr. Walker could contribute those to whoever he wanted to contribute them to --
A Yes, sir.
Q -- is that right? Did he give you a report

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back on how he dispursed -- how he spent the -- how the ten thousand, five hundred ($10,500) dollars was used?
A Yes, sir.
Q Okay. Tell us how it was used.
A Well, it was three different checks to three different schools. He gave me the cashier check receipt.
Q All right. And do you have those cashier check receipts?
A Yes, sir.
Q And how much was it and to which schools?
A I believe it was George Washington Carver Elementary. One was to --
Q To George Washington Carver Elementary for how much?
A I believe two thousand.
Q Two thousand. All right.
A Another two thousand was to a day care center. I can't recall the name.
Q All right.
A I believe. And the other two thousand, I believe, was to another school.

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what you did?
A No, sir.
Q What did you do?
A No, sir.
Q What did you do?
A I don't remember exactly what I did.
Q Which account did you deposit them into?
A It would be my Colonial Bank account.
Q And would that have been shortly after this letter that's dated March 31st, 2006?
A Yes, sir.
Q And this letter was written before you filed an application. Well -- Excuse me, please.
A No problem.
(Thereupon, a discussion was held off the record.)
Q Was this contribution being made to these schools in hopes that that would encourage the Sheriff to issue you a license?
A Not directly, no, sir.
Q Indirectly?
A The contribution was made to the schools for PR.

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Q For what?
A We took a picture in the Tuskegee News simply to show again that I care and I wanted to put money into the Macon County school system.
Q But that was all at the same time you were negotiating with the Sheriff about adopting your rules and regulations that had been introduced in evidence. It was during that period of time.
A What is the date again?
Q March 31st, '06.
A Yes, sir.
Q Okay. Were you trying to give the public the impression that you had three charities committed to you --
A No, sir.
Q -- to serve as operator for them?
A No, sir.
Q Because you did not have a George Washington Elementary School, Lewis Adams, North Tuskegee Public as one of your charities. They had not applied for a license through

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you as a charity, had they?
A No, sir.
Q Do you now know that they had already applied for charity funds --
A No, sir.
Q -- and participating in bingo?
A No, sir.
MR. GRAY: We offer Exhibit Six.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 6 by the Reporter.)
Q Do you -- What else have you done public relation wise? Did you circulate a newsletter throughout the county telling people what you were going to do?
A Yes, sir.
Q Do you have a copy of that?
A No, sir.
Q We might just have one.
At which time, the referred-to document was marked as Defendant's Exhibit

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No. 7 by the Reporter.)
Q Tell us what seven is, please.
A It is a four-page insert that was placed in the Tuskegee News. And it's date is November of 2005. I think the distribution was 15,000.
Q So, you not only had it put in the newspaper, but you distributed 15,000 of them?
A No, sir, the newspaper distributed 15,000.
Q Oh, it was an insert that went in the newspaper. And what was the total cost of that to be done?
A I had put fifteen thousand ($15,000) dollars in escrow with Mr. Paul Davis. The charge was supposed to be fifty two hundred and fifty ($5,250) dollars. He doesn't seem to want to give me back ninety-seven hundred and fifty ($9,750) dollars of it.
Q So, as of now you paid fifteen thousand ($15,000) dollars?
A Correct.
Q And you're claiming he owes you some back.

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Q For them individually or for the corporation?
A For the corporation.
Q I think you alleged someplace in your complaint and in the amended complaint that these rules and regulations were changed, and there was no explanation as to why they were being changed. Do you remember that?
A Yes.
Q In effect. Isn't it a fact for the two changes that were commentaries?
A Yes.
Q And you sat there and listened to those commentaries when the Sheriff was testifying on Tuesday; isn't that correct?
A Yes.
Q All right. Now, while you may not agree with the commentaries that he set out in it, he did, in fact, set out what he considered to be the reasons for the changes, didn't he, in the first amendment and in the second amendment, the commentaries to it?
A If he, indeed, wrote that, yes.

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Q Well, I mean, it's attached to his rules and regulations, and you heard him testify, didn't you?
A Yes, sir.
Q And he told you that those were his rules and regulations, that he had adopted them.
A Yes, sir.
Q Okay. So, there were -- And he had set out what he considered reasons for making the changes; isn't that correct?
A You're referring to the commentary?
Q Yes.
A Yes.
Q And did he not have those changes and those rules published in the newspaper?
A Yes.
Q And didn't you, MCI, Reach One Teach One, and anyone else reading the newspaper could have read the rules and regulations and the commentary about the changes if you had wanted to read them?
A Yes.
Q Okay. They weren't hid, were they?

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A Sir?
Q They were not hidden.
A No, they were in, as you said, the commentary.
Q Okay. Now, have you incurred any other financial obligations that you claim you have spent in connection with obtaining a license that you have not already testified to?
A Accounting bills.
Q Approximately how much do you owe for accounting bills?
A Ten thousand ($10,000) dollars.
Q Of course, now, MCII don't have any assets, so they don't have any accounting bills, do they, the corporation?
A No, sir.
Q Okay. Is there anything to keep you from building the facility if you wanted to now?
A Yes, sir.
Q What?
A The Sheriff himself said that he wouldn't do it and wait on him to build it.

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Q I'm asking you what would keep you from doing it, not what the Sheriff said. What's keeping you from building the facility now?
A I'm not an idiot.
Q And that's why you haven't built it?
A Correct.
Q Okay. And that's why you have gone through all these procedures you've testified to to try to get the Sheriff to change his rules to give you a license; is that right, because you're not an idiot?
A Yes, sir.
Q Okay. And the real estate development is your business, and that's what you know about, and that's what you are trained in.
A Not real estate development, real estate.
Q Okay. In real estate. Do you have the personal finances to finance this project?
A Yes, sir.
Q You personally have the finances to finance it?
A I believe I do.
Q Your own without any help from anybody else?

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Q And you still have that book. And what did that book have in it?
A A list of some perspective charities.
Q And as best you recall, give us the name of some of the perspective charities that are in there.
A I have no idea.
Q Did you ever look in it?
A Yes, sir.
Q Did you read them?
A Not enough to really remember them heavily.
Q And I think you said earlier that Johnny Ford furnished you that book because Mr. Lane would not have had the list.
A Not to me. Mr. Ford furnished the book to Mr. DeBray.
Q Okay. Mr. Ford furnished --
A Mayor Ford.
Q -- the black book to Mr. --
A Tom DeBray. Attorney Tom DeBray.
Q -- to Attorney Tom DeBray.
A DeBray.
Q DeBray, in that meeting?

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A No, sir.
Q What meeting did Mr. Ford give the book to Mr. DeBray?
A I would assume that was a meeting that I was not in between them. They had several more meetings.
Q Who brought the book to the meeting?
A To which meeting?
Q The meeting you're testifying about.
A The book was not brought to the initial meeting when it was myself -- Mr. DeBray was not in the initial meeting or the only meeting that I had with the current Mayor Johnny Ford.
Q When you had the meeting with Johnny Ford, did he have the black book with him?
A No, sir.
Q Did he tell you he had a black book?
A No, sir.
Q When did you first see the black book?
A A week or two after the meeting.
Q And who did you see with the black book?
A Mr. Jim Lane and Attorney Tom DeBray.

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Q And that was not when Johnny Ford was there.
A No, sir.
Q Did they tell you where they got the black book from?
A The charities? Yes, sir, the book of charities was from Attorney -- excuse me -- from current Mayor Johnny Ford.
Q And you understood that Mayor Johnny Ford gave the black book to whom?
A Either Tom DeBray or Jim Lane.
Q And they, either one of them, gave the black book to you.
A Yes, sir.
Q And you have the black book now.
A Attorney Carr has the black book, I'm certain, in his office.
Q All right. But it's your book. It's under your control.
A It's of no significance to me really now, so I don't know. I feel that I can get it.
Q Okay. You can get it. All right. Does MCII have it?
A No, sir.

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Q But you had the book so that MCII could be the operator for one of the charities listed in the book you were hoping.
A Yes, sir.
Q Isn't that correct?
A Yes, sir.
Q All right. Go ahead and tell us about -- What did Johnny Ford say in that meeting?
A He said that he was for competition, that competition is good, that Macon County needs new investment, that Macon County needs growth.
Q And I think you said that he told you about Mr. Walker. Johnny Ford told you about Mr. Walker and about his Reach One Teach One.
A No, sir.
Q You didn't tell me that?
A No, sir. I don't think I told you that. It's not the truth.
Q Well, tell us -- Going back now, tell us who told you about Mr. Walker.
A Greg Carr.